

USEITI Company and Project Level Reporting Working Group
Recommendation to Implementation Subcommittee
November 24, 2014

The recommendation of the company and project level working group is that the first USEITI report to be published in December 2015 follow the first part of Section 5.2e of the EITI Standard that states: “It is required that EITI data is presented by individual company, government entity and revenue stream.” We were unable to reach a consensus on a project-level reporting definition consistent with Section 5.2e in the necessary timeframe.

In an acknowledgement of this challenge, we recommended strongly that the working group undertake a thorough review of the level of disaggregation of each payment type identified for disclosure by the USEITI Multi-Stakeholder Group (MSG) in order to prepare a project definition recommendation that satisfies the requirements of Section 5.2e for use in the second USEITI report (see attachment). The process will allow the working group to analyze each payment type in detail and make resulting reporting determinations in keeping with the Standard. Section 5.2e states: “Reporting at project level is required, provided that it is consistent with the United States Securities and Exchange Commission rules and the forthcoming (added by working group: now enacted) European Union requirements.” By the time of the second USEITI report, many companies that meet the USEITI reporting materiality threshold will have begun reporting payment disclosures at a project level consistent with the EU law referenced in Section 5.2e (specifically, the EU Accounting and Transparency Directives). In addition, other complementary reporting mandates, brought about the statutes and guidance of other countries as well as the implementation of the EITI Standard in other implementing countries, will provide the working group with a stronger basis to make a consensus recommendation of a project-level reporting definition. Finally, it is the working group’s hope that the U.S. Securities and Exchange Commission (SEC) will issue a proposed rules release for the implementation of Section 1504 of the Dodd-Frank Act before the project-level definition disclosure requirements for the second USEITI report must be finalized.

In light of the bearing of the implementation rules of Section 1504 on the USEITI project level reporting definition, we also urge the Multi-Stakeholder Group (MSG) to write to the Chair and Commissioners of the SEC expressing the MSG’s significant interest in the prompt release of new implementing rules for Section 1504 of the Dodd-Frank Act that support a global standard for extractives payment reporting in a manner consistent with the statute’s language indicating that Section 1504 “shall support the commitment of the Federal Government to international transparency promotion efforts relating to the commercial development of oil, natural gas, or minerals.” The working group is willing to draft such a letter for the consideration and approval of the MSG.